

**MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, JULY 15, 2010
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Thursday, July 15, 2010 at 9:23 a.m.

The meeting was called to order by Chairperson Travis Thompson and on roll call, those present and excused were as follows:

PRESENT: Chairperson Travis Thompson
Vice-Chair Eric Beaver
Director Sam Aiona
Director Rene Berthiaume
Director Sherrilee Dodson
Director Roger Godfrey
Director Clarissa Hosino
Director Carol Ignacio
Designee Henry Oliva
Director Linda Smith

Executive Director, Denise Wise
Deputy Attorney General, Krislen Chun

EXCUSED: Director Matilda Yoshioka

STAFF PRESENT:	Barbara Arashiro	Executive Assistant
	Shirley Befitel	Personnel Supervisor
	Mark Buflo	Acting Financial Management Officer
	Lydia Camacho	State Housing Development Administrator
	Steve Chang	Compliance Office Division Chief
	Stephanie Fo	Property Management and Maintenance Services Branch Chief
	Phyllis Ono	Contract Specialist
	Alan Sarhan	Chief Planner
	Zak Shield	Summer Intern
	Taryn Chikamori	Secretary to the Board

OTHERS: Desiree Kihano, Palolo Valley Homes resident
Fetu Kolio, Mayor Wright Homes resident

Jan Ii, Palolo Valley Homes resident
Kalia Price, Michaels Development Company
Tim Garry, private resident
Treena Sefo, Palolo Valley Homes resident

Proceedings:

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Dodson to approve the minutes of the Regular Meeting held on June 17, 2010 and seconded by Director Beaver.

The minutes were unanimously approved as presented.

Public Testimony:

The Board received public testimony from Mr. Fetu Kolio a resident of Mayor Wright Homes. He stated he supported the tenant monitoring program and would like the Hawaii Public Housing Authority (HPHA) to implement. He also inquired as how to become a board member of the HPHA.

Director Smith asked Mr. Kolio if there was firework usage on the fourth of July. Mr. Kolio responded there were only a few incidents.

Ms. Jan Ii a resident of Palolo Valley Homes (PVH) reported she usually receives timely notifications from management but management has not responded to her request for an interim recertification. She was upset with the lag time for her requested interim as it also impacted her participation in the FSS program. Ms. Ii reported that gravel had been used to correct some of the erosion issues and she asked that consideration be given to other material like bark. She was concerned that the gravel may present some issues from children putting it in their mouths to kids throwing them.

Ms. Desiree Kihano a resident of PVH reported that she has three issues with management: 1) why hasn't the tenant monitoring program been started; 2) she received a violation letter because she did not pay a maintenance charge; that said notice was placed on her door; and 3) office staff at PVH has not been helpful in trying to help her resolve the issue and they were unable to explain the charge.

Ms. Treena Sefo a resident of PVH reported she goes on the neighborhood walks and reports incidents to the management office and management does not follow up on the incidents.

Mr. Tim Garry a private resident reported that there was a lot of firework usage at Puahala Homes.

Director Ignacio arrived at 9:45 am

For Action:

Motion: To Approve the Appointment of Mr. Stanley H.C. Young to the Oahu Eviction Board and Ms. Kathy Merritt to the Maui Eviction Board for a Two Year Term Expiring on July 31, 2012.

Director Beaver moved and Director Dodson seconded.

Director Hosino stated she has reservations concerning Mr. Stanley Young's nomination. Her reservation was based on his previous employment with the HPHA and thought it may be a conflict of interest.

Chairperson Thompson asked if there were a maximum number of people that can be in the pool of Eviction Board members. Ms. Wise responded that she will report back at the next meeting.

There was no further discussion and Chairperson Thompson called the question.

Support Ayes: Chairperson Thompson
Designee Oliva
Director Beaver
Director Berthiaume
Director Dodson
Director Godfrey
Director Ignacio
Director Smith

Nay: Director Hosino

The motion was carried.

Chairperson Thompson called a recess at 9:50 a.m. and reconvened at 10:00 a.m.

Discussion:

Executive Director's Report:

Accomplishments

Staff reported that Real Estate Assessment Center (REAC) has completed inspections at Hilo and Puuwai Momi. The HPHA does not have any scores but, Hilo had one inoperative smoke alarm, which was fixed and Puuwai Momi had some overgrowth and some erosion.

Director Berthiaume asked what REAC looks for in their inspection process. Staff responded that it is combination of the outside physical condition such as, plant growth, concrete spalling, erosion and other exterior conditions; and that they also take a sampling of the units and look for safety issues, such as no GFI in bathrooms and the condition of the unit.

Director Aiona arrived at 10:10 a.m.

Staff reported because of the HPHA's past scores REAC conducts inspections once a year. If the scores are above eighty, in a system of 100, then the HPHA may have the inspections biannually.

Director Ignacio asked what the consequences are for tenants that are in violation. Ms. Wise reported that management will inform tenants and give them a chance to correct the problem; if the problem is not corrected, then a housekeeping violation is issued.

Staff reported that building A had a smell over a few days. Staff found a dead kitten in the air conditioning unit. Section 8 and Applications staff were relocated to building E for two weeks while the problem was being addressed. CMS and an AC maintenance company cleaned and disinfected the A/C unit; and to ensure there were no residual problems the air quality of building A was tested. The test results confirmed that there were no residual air quality issues. It was determined that the kitten in the A/C may have been an act of animal cruelty.

Staff reported that given the incident with the A/C unit, the HPHA must deal with the issue of feral cats on the premises. There are approximately 30 ferals throughout the campus and unless the HPHA develops a plan, the population will grow exponentially in a short period of time. Therefore, the HPHA will be conducting its own trap and release activities for the feral cats.

Director Hosino asked whose responsibility it is to control the feral cat population at the projects. Staff reported the AMP managers are responsible. However, once control of this feral colony is achieved, the HPHA will be working with other AMPs as it is a wide-spread problem.

Staff reported on the Section 8 mediation session that was conducted in June. The intent of the mediation was to develop constructive conflict resolution techniques. The implementation of suggestions will be reviewed and a timeframe of implementation will be developed by a team of staff and supervisors. The initial feedback was positive.

Planned Activities

Ms. Wise reported that she, Ms. Fo and Alan Sarhan will be visiting projects on Maui and will spend some time with Board members while there

Chairperson Thompson reported that the U.S. Department of Urban and Housing Development (HUD) plans to visit Maui. The purpose of their visit is reviewing the projects that received American Recovery and Reinvestment Act (ARRA) funding. Of the \$16.2mm that the HPHA received just a little over 40% or \$6.5mm is committed to two Maui projects, Kahekili Terrace and Makani Kai Hale. The interest and emphasis by HUD is the ARRA funding mandate that

60% of the funds must be expended by the March 2011 deadline. They want to review the progress of the projects.

Trends and Issues

Staff reported on a visit to the Big Island and a walk thru of the developments. It was reported that the portion of the Lanakila project previously slated for demolition needed attention due to squatters on the premises. Director Ignacio asked what the status of the Lanakila demolition project was and she provided some history on prior community efforts. She stated that approximately two years ago there was an effort to bring 6 of those units back on-line with the assistance of local nonprofit groups; and that there were nine non-profit groups interested at that time.

Staff reported that they needed time to research the issue and a more complete picture of the prior efforts for the Lanakila project will be presented at the next Board meeting.

Potential Risks

In reviewing the projects and their potential risks staff was asked about the certificate of occupancy (CO) for Makani Kai Hale. The project has been in service and occupied and how that was possible without a CO Staff reported that it was an issue with the contractor at that time. The issue was surfaced when the HPHA went for a building permit on the current project. The County of Maui has agreed to start the permitting process without the certificate of occupancy but will not issue the actual construction permit until the issue is resolved.

Director Dodson suggested the HPHA follow up with the County of Maui on a daily basis and to contact her if the HPHA needs help.

Chairperson Thompson asked if work can begin without the permits. Staff reported that some work may begin without the permit.

Staff was questioned regarding the elevator contractors and concerns that had surfaced in the last month. Staff reported that Pacific Elevators has been hired as the new subcontractor. Staff met with the Pacific Elevators and feels that they may have the capability to complete the job. The HPHA is concerned because not all of the Pacific Elevators staff has completed the mandatory training which limits who can work on the project.

The Board asked staff if the HPHA checked to see if the contractor was capable of doing the job before awarding the bid. Staff reported that the consultant did raise concerns; however, the HPHA has to use the lowest bidder due the procurement process.

Staff was asked if the elevator maintenance contracts would be disrupted because of the modernization project. Staff reported no and as a matter-of-fact it had been extended with the current provider to ensure no lapse in maintenance should it be needed.

Staff reported on the Energy Performance Contract or EPC with Ameresco. Staff reported there are two needed steps one is the credit rating that needs to be performed by Standards and Poor (S&P). It was reported that the S & P rating will cost \$217,000. The HPHA is working with Budget and Finance (B & F) and the Department of Accounting and General Services (DAGS). The second component is working with Crews and Associates on the financing portion of this initiative.

Status and Schedule of Mixed Finance Redevelopment at Kuhio Park Terrace:

Ms. Price reported that the redevelopment of Kuhio Park Terrace (KPT) is on time. She stated that there are still some design element changes on the “story boards” presented at the last Board meeting. Michaels Development Company plans on meeting with the residents and the Board in August with a final plan, for additional comments..

Ms. Price reported that she is pleased that request for proposal (RFP) for legal services was issued as she knows this is a key step for the HPHA.

She also reported that in her meetings with the residents that thier primary concern is the handling of the relocation while the units are under construction. She reiterated that the current plan is to relocate residents within the Tower and that it should take about 3 months, with a rolling relocation plan.

Given the timeline that was presented by Ms. Price she reported that estimated completion of Tower one is still April 2012 and estimated completion of Tower two is April 2013.

Property Management Report:

The Board discussed the waiting list and the number of households that are waiting for housing.

Staff noted that 97% of families on the waitlist are at the 0-30% income level. This refinement of the data has long term implications for the HPHA and it must be looked at in terms of asset management and how to sustain the properties and respond to the deferred maintenance issues.

The Board discussed the impact of potentially closing the waitlist. Staff responded that the HPHA is looking at various ways to address this up to and including removing preferences altogether and/or going to a date and time system. All of these approaches are currently being researched.

The Board raised the issue of deprogrammed units and wanted to know the count. It was reported that there were 149. Staff is reviewing all the units that have been deprogrammed. Those that have been deprogrammed without prior approval will be returned to service.

Staff also stated to ensure clarity of when a unit is to be deprogrammed a policy will be drafted.

The Board asked how deprogrammed units work with HUD. All deprogrammed units require HUD approval. Reasons for deprogramming a unit are often related to providing a service to the

tenants. If HUD approves the deprogramming of a unit they will pay the subsidy portion. . If the unit is not authorized to be deprogrammed by HUD and it is removed from the rental pool by site staff, the HPHA does not receive subsidy because subsidy is given only to occupied units.

ARRA report:

Staff reported on the Hale Haouli project. This project has approximately \$1.8mm in ARRA funds. The HPHA has been working with the Disability and Communication Access Board (DCAB). DCAB has asked the HPHA to provide one studio and one bedroom unit for accessibility at Hana Haouli. The HPHA is negotiating with DCAB on the one bedroom because it would cost the HPHA \$250,000 to renovate the unit as it would require extensive renovation. The HPHA has offered four studios instead. DCAB stated they don't agree with the unit mix that the HPHA is offering. HPHA has referred this to the consultant on the job to work up a solution. The Board provided clarification to staff that DCAB is an advisory group and not regulatory.

Ms. Wise reported that Ms. Camacho has tendered her resignation as of the end of the month.

Designee Oliva asked that a letter of recommendation be written by the Chairperson for Ms. Camacho.

FMO report:

Staff reported that the firm of KMH, LLP, started the single audit for the HPHA. This is the same firm that has audited the HPHA in the past.

Motion: **To go into executive session at 11:45 a.m. pursuant to sections 92-4 and 92-5(a)(2), Hawaii Revised Statutes, to consult with the Board attorneys on questions and issues related to the Board's powers, duties, privileges, immunities and liabilities as related to the redevelopment of Kuhio Park Terrace, *McMillion v. Hawaii Public Housing Authority*, and *Faletogo v. Hawaii Public Housing Authority*, as well as the curfew at Kalihi Valley Homes.**

Director Beaver moved and Director Ignacio seconded.

Support: The motion was unanimously carried.

The Board reconvened from Executive Session at 12:56 p.m.

Chairperson Thompson reported that the Board discussed the KPT redevelopment, KPT lawsuit and the curfew at Kalihi Valley Homes (KVH).

History and Status of Sale of Banyan Street Manor:

Mr. Chang reported that the expected closing date of Banyan Street Manor is November 2010. The HPHA is waiting for approvals from the City and County for the land lease, HUD for Section 8, and completion of the audit findings.

Staff advised the Board that there was one item left to respond to regarding the audit findings of the Banyan project. It was the reconciliation of the Replacement for Reserves account. All other findings had been responded to. The account had some withdrawals that were not properly recorded and assigned to the correct account. The auditing firm was in the process of reconciling the account. The Board asked staff what was worse case in this instance. Staff reported that the HPHA would have to discuss with the previous management agent.

Update on the Status of a Pilot Program for Designated Elderly Housing:

Ms. Fo reported that the HPHA is looking to hire a consultant to help with the designated elderly housing program as it is a lengthy application

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn.

Director Beaver moved and Director Ignacio seconded.

That the meeting be adjourned at 1:06 p.m.

Support: The motion was unanimously carried.

MINUTES CERTIFICATION

Minutes Prepared by:


Taryn Chikamori
Secretary to the Board/Recording Secretary

AUG 19 2010

Date

Approved by the HPHA Board of Directors at their Regular Meeting on
August 19, 2010


Matilda Yoshioka
Director/Board Secretary

AUG 19 2010

Date